

## **Sequester 101: What Republicans' Continuation of Dangerous Sequester Caps Means for Americans**

This week, House Republicans unveiled their budget resolution for Fiscal Year 2016. Congress should be making the tough choices needed to grow our economy and expand middle-class opportunities for American families, while promoting fiscal responsibility. Instead, House Republicans are continuing the sequester this year for domestic spending, before dramatically cutting \$759 billion below this already unrealistic level over the next decade – while busting through the cap on defense. Here's a look at what this irresponsible approach means for Americans:

### **Background**

*The sequester's massive cuts to defense and nondefense spending – which first hit in 2013 and were never intended to go into effect – have unfortunately become the new baseline for how much we can invest in our nation's future.*

- Sequestration applies an across-the-board spending cut to spending levels above a predetermined cap, and it was enacted as part of the Budget Control Act in 2011.
- The Budget Control Act, enacted in 2011, did two major things:
  - It applied budget caps to reduce both defense and nondefense discretionary spending, along with some interest savings, by about \$900 billion over 10 years.
  - In addition, the BCA established a Joint Select Committee on Deficit Reduction, or “supercommittee,” tasked to find \$1.2 trillion in additional deficit reduction, beyond the initial \$900 billion. When the supercommittee failed to reach agreement on a broad deficit reduction package, that triggered a second round of reductions to the budget caps by \$109 billion each year from Fiscal Year 2013 through 2021, and set into motion across-the-board sequester cuts to get there the first year.
- The Ryan-Murray deal enacted in December 2013 partially repealed the second round of sequester cuts, but it only covered Fiscal Years 2014 and 2015. As a result, the budget was put on a glide path back to the sequester level caps in FY 2016.
- Before the BCA, discretionary spending would have been \$1.133 trillion in FY 2014. The original BCA caps took that total down to \$1.066 trillion, and the sequestration level caps took it down further to \$967 billion. Seeing that this level was unsustainable, the Ryan-Murray Bipartisan Budget Act raised it to \$1.012 trillion in FY 2014 and \$1.014 trillion in FY 2015 before allowing a return to the sequester level path in FY 2016.
- Now, the Republican budget proposes to maintain already low sequester level spending for nondefense discretionary this year, and then cut below sequester level by a combined \$759 billion over the next 9 years.

### **Consequences**

*Sequester cuts to domestic spending restrict investment in our nation's future. Maintaining sequester-level spending in the FY 2016 budget...*

- **Reduces federal support for pre-K to 12th grade to less than it was in 2000**
- **Jeopardizes nutrition assistance for the more than 46 million Americans** who depend on it, the majority of them children, the elderly, or people with disabilities, by including it in the “magic asterisk” Republicans use to identify to claim they'll balance the budget without giving any detail on what programs they'll cut to achieve \$1.1 trillion in savings
- **Results in 35,000 fewer children in Head Start** compared to the President's budget

*Office of Democratic Whip Steny H. Hoyer, 03/19/15*

- **Results in more than two million fewer workers receiving job training and employment services** compared to the President's budget
- **Results in 950 fewer competitive science research awards at the NSF, affecting 11,600 researchers, technicians and students** as compared to the President's budget, which works to expand research opportunities
- **Eliminates the Manufacturing Extension Partnerships, which serve 30,000 small manufacturers** that contribute to the creation of middle-class jobs and economic growth compared to the President's budget
- **Causes 133,000 fewer families to receive Housing Choice Vouchers, and another 20,000 fewer rural families receiving help for affordable rental housing** compared to the President's budget
- **Puts funding for successful infrastructure programs like TIGER grants at risk**, which help repair and modernize our infrastructure while creating well-paying jobs

***We need to address the disinvestment that the sequester makes in domestic priorities like research, education, and infrastructure. Stakeholders agree:***

**NDD United:** "With the expiration of this [temporary relief from sequestration negotiated by Representative Paul Ryan and Senator Patty Murray] in fiscal year (FY) 2016, lawmakers should act quickly to stop sequestration from taking effect in the upcoming fiscal year. The undersigned 2,100 national, state, and local organizations—representing the hundreds of millions of Americans who support and benefit from nondefense discretionary (NDD) programs—strongly urge lawmakers to replace sequestration with a balanced approach to deficit reduction." [Letter, [2/18/15](#)]

**AFL-CIO:** "The deep cuts in this proposal – which start with privatizing Medicare – add to the already open wounds of our struggling economy." [Press Release, [3/17/15](#)]

**National Education Association:** "If enacted, the Republican budget will endanger economic growth and will rob working- and middle-class families of economic opportunities now and in the future. Families and students have been on the receiving end of their austerity-at-all-costs budgeting for the past three years—an approach that has hindered income growth and deprived students of the opportunities they all deserve. Yet, here we are again, and they are about to repeat the budget mistakes of the past. This budget does not ask the wealthiest to pay their fair share. Instead, it aims to balance the budget on the backs of families and students by slashing investments in education, job training, health care, and nutrition assistance for families and children most in need." [Press Release, [3/17/15](#)]

**American Federation of Government Employees:** "Instead of focusing on creating new jobs and lifting more Americans out of poverty, the House leadership has proposed a budget that does exactly the opposite by slashing the compensation and jobs of hard-working federal employees," President Cox said. [Press Release, [3/17/15](#)]

***Rather than move forward with a budget that uses gimmicks and dramatically disinvests in our domestic priorities, it's time for Republicans to work with us to replace the entire sequester with a balanced, bipartisan alternative that puts our nation back on a fiscally sustainable path while investing in our future.***